ATTACHMENT G

Possible Impacts on the Department of Defense's Cleanup Program from Obtaining Permits*

Costs

The estimate, discussed in the text of this report, that 26,000 additional permits would be needed if CERCLA required Federal facilities to obtain permits was derived by analyzing the remedies selected in 1998 and beyond. It was determined that approximately 4,300 remedies would require permits. Some remedies would require more than one permit and some permits would have to be renewed annually. The Department of Defense (Defense) assumes that two permits would be required per remedy (4,300 x 2 = 8,600) and half of the 8,600 permits would be required for 5 years [4,300 (base year) + (4,300 x 4 years renewed) = 21,500]. Thus, 21,500 permits plus the 4,300 one-time permits yields 25,800 permits. Defense will spend approximately $20 million per year for FY97 to FY99 on permits and fees to acquire 13,000 permits per year to comply with the Clean Air Act (CAA), the Clean Water Act, the Resource Conservation and Recovery Act (RCRA), and the Safe Drinking Water Act. The approximately 26,000 permits at $1,538 average per permit ($20 million/13,000 permits = $1,538), would cost Defense an additional $40 million in Defense Environmental Restoration Program (DERP) costs.

A recent General Accounting Office (GAO) study, *Remediation Waste Requirements Can Increase the Time and Cost of Cleanups*, GAO/RCED-98-4, October 1997, (pp. 8–9), found that because obtaining a permit involves a step-by-step approach with substantial requirements for documentation and review, obtaining a permit increases cleanup costs and causes delays. The report cites Environmental Protection Agency (EPA) estimates of the administrative costs of obtaining a RCRA permit, ranging from $80,000 for an on-site treatment unit, such as a tank, to $400,000 for an on-site incinerator, and up to $1 million for a landfill.

The study found that in Texas, for example, the time frame for obtaining such a permit can range from 7 to 9 months for a simple treatment unit, such as a tank, to 5 or 6 years for a more complicated unit, such as a landfill. The Texas example shows how obtaining permits can delay even simple remedies and can have serious cost and time consequences for more complicated remedies. Depending on how the S. 8 amendment is interpreted, the time for obtaining permits may be even greater than indicated in the GAO study because states may not have the infrastructure to handle the increased number of permit applications. Also the permit delays would increase costs because they would cause additional contractor expenses for demobilization and stand-down.

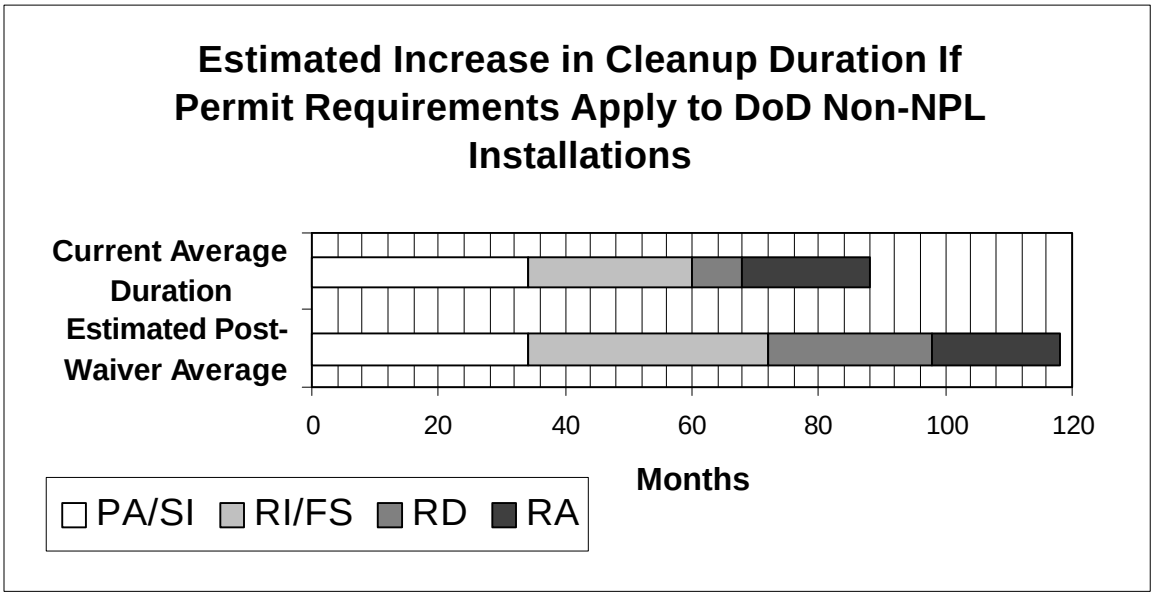
Costs similar to those in the GAO study are described in the *U.S. Army Environmental Program Requirements Project Catalog*, which assists Army installations on requirements and in preparing cost estimates. The catalogue reports the following processing costs for obtaining each type of permit: CAA Title V permits — $100,000 to $400,000; National Pollutant Discharge Elimination System permits — $1,000 to $5,000; and RCRA permits — $20,000 to $100,000. These costs do not include the permit preparation costs incurred by consultants ($90 to $120 per hour). Additionally, closure plans, which are required for hazardous waste facilities, cost approximately $60,000 to $75,000 to develop.

---

* *Because cost impacts are difficult to predict and depend on how other parties and the courts interpret the S.8 amendment, the Department of Energy has chosen not to develop cost information.*

These costs primarily consist of costs for preparing the permit application, compiling the data for completing the permit application, involving the public, drafting permit reviews and comments, and revising the permit application or responses to Notices of Deficiencies. Other costs include items such as siting demonstrations, hydrogeologic characterization, exposure information reports, permit calculations, and independent professional engineering certifications.

Duration



Note: PA/SI = Preliminary Assessment/Site Inspection; RI/FS = Remedial Investigation/ Feasibility Study; RD = Remedial Design; RA = Remedial Action

Each non-NPL installation requiring cleanup would experience an average time increase of 30 months. (Twelve months could be added to the RI/FS because additional sampling may be required, permit determinations would have to be made, and the permit application process would have to begin. In addition, the length of time it would take to complete the RD could increase by 18 months, which is the average time for obtaining an operating permit.)

Dilution of Defense's lead agency role may create uncertainty about the time needed to complete cleanup activities.

Because the average time that it takes to obtain permits is 18 months, installations could unintentionally violate CERCLA section 120(e)(2), a provision that requires substantial, continuous, physical remedial action to begin at Federal facilities no later than 15 months after study is complete.